



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**FILED**

06-13-07

04:59 PM

In the Matter of Application of  
CALIFORNIA-AMERICAN WATER SERVICE  
COMPANY (U 210 W) for an order authorizing it  
to increase its rates for water service in its Los  
Angeles District to increase revenues by  
\$2,020,466 or 10.88% in the year 2007; \$634,659  
or 3.08% in the year 2008; and \$666,422 or 3.14%  
in the year 2009.

A.06-01-005  
(Filed January 9, 2006)

**NOTICE OF EX PARTE COMMUNICATION  
OF THE DIVISION OF RATEPAYER ADVOCATES**

The Division of Ratepayer Advocates (DRA) submits this Notice in accordance with Rule 8.5 of the CPUC's Rules of Practice and Procedure.

The communication was between Lester Wong, Advisor to President Peevey, and the following representatives of DRA: Robert Kinosian (Deputy Director), Danilo Sanchez (Program Manager), Yoke Chan (Staff Analyst), Tatiana Olea (Staff Analyst), and Natalie Wales (Staff Attorney). The communication was initiated by DRA and consisted of a meeting on June 8, 2007, at approximately 3:15 pm, that lasted approximately 45 minutes. No written materials were involved in the communication.

DRA discussed the differences between the Water Revenue Adjustment Mechanism (WRAM) proposed in the rate design settlement agreement for California-American Water Service Company's (Cal-Am's) Los Angeles District (A.06-01-005), and those WRAMs adopted for Cal-Am's Monterey District and proposed for Suburban Water Systems (in I.07-01-022). DRA stated that any WRAM decreases a utility's risk, and that the proposed WRAM merits a significant decrease in Cal-Am's return on equity

(ROE) for the Los Angeles District (A.06-01-005). DRA referenced the proposal of Cal Am to address the ROE adjustment issue in I.07-01-022, and the inappropriateness of implementing conservation rates without a concurrent ROE adjustment. If the Commission does not adopt the 50 basis point adjustment in the Proposed Decision, DRA urged the Commission to adopt that adjustment as an interim measure that could be addressed by the Commission at a later time, such as in I.07-01-022. Finally, DRA stated that any adoption of an infrastructure surcharge, such as the Distribution System Infrastructure Charge (DSIC) in the Proposed Decision, should be accompanied by additional safeguards.

Copies of this Notice can be obtained by calling or sending e-mail to Sue Muniz at (415) 703-1858 (e-mail - sam@cpuc.ca.gov).

Respectfully submitted,

/s/ NATALIE D. WALES

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Natalie D. Wales  
Staff Counsel

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Advocates

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June 13, 2007

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of “**NOTICE OF EX PARTE COMMUNICATION OF THE DIVISION OF RATEPAYER ADVOCATES**” in **A.06-01-005** by using the following service:

[ X ] **E-Mail Service:** sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

[ X ] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses, if any.

Executed on **June 13, 2007** at San Francisco, California.

/s/ HALINA MARCINKOWSKI

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Halina Marcinkowski

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

\* \* \* \* \*

## SERVICE LIST

### A.06-01-005

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